

VZCZCXRO6372
RR RUEHGA RUEHHA RUEHQU RUEHVC
DE RUEHMT #0058/01 0441324
ZNR UUUUU ZZH
R 131324Z FEB 07 ZDK
FM AMCONSUL MONTREAL
TO RUEHC/SECSTATE WASHDC 0431
INFO RUCNCAN/ALCAN COLLECTIVE
RUCPDOG/DEPT OF COMMERCE WASHDC

UNCLAS SECTION 01 OF 03 MONTREAL 000058

SIPDIS

C O R R E C T E D C O P Y (PAR 1 AND 5)

SENSITIVE

SIPDIS

SECSTATE FOR WHA/CAN, WHA/PD, DS/IP/WHA, EB/TPP/IPE
State please pass to USTR for Sullivan, Melle, and Garde

E.O. 12958: N/A

TAGS: [ECON](#) [ETRD](#) [KIPR](#) [CA](#)

SUBJECT: CANADIAN FILM INDUSTRY LAUNCHES CAMPAIGN AGAINST MOVIE
PIRACY, PRESSURES GoC TO TOUGHEN ANTI-CAMCORDING LAWS

REF: 06 Montreal 365, 06 Montreal 1220

MONTREAL 00000058 001.2 OF 003

This message is Sensitive but Unclassified

Summary

1. (SBU) Representatives from Cineplex Entertainment, which operates Canada's largest chain of movie theaters, expressed their frustration with the lack of an anti-camcording provision in the Canadian criminal code to Econ MinCouns and other Mission Canada representatives in Ottawa, Montreal, and Toronto during a Digital Video Conference on February 7. Econ MinCouns and Econoff also toured a Cineplex theater in Montreal, which has gained an unfortunate reputation recently as a hub for camcording activity, and hosts some of Cineplex's current efforts to catch camcorders. Ellis Jacob, Cineplex's President and CEO, noted that the company is working with the Canadian Motion Picture Distributor's Association (CMPDA) to convince the Canadian government to take the camcording issue more seriously, but both have thus far encountered resistance from the GoC, which claims that existing copyright laws are sufficient to deter film pirates and punish those who have been caught in the act. End Summary.

"Pirates of the Canadians" draws public attention to film piracy

2. (SBU) The camcording issue has received a great deal of media attention in recent weeks, with articles like The Globe and Mail's mid-January "Pirates of the Canadians" calling attention to the problem of camcording in Canadian theaters, especially in Montreal, and the impact of this camcording on boosting sales of pirated DVDs worldwide. Twentieth Century Fox has allegedly threatened Toronto-based Cineplex Entertainment, which operates 130 locations and 1267 screens across Canada, with the possibility of stopping (or delaying) the release of its most popular first-run films to Canadian theaters unless the epidemic of camcording comes under control. A move like this would, according to Jacob, "place Canada at the bottom of the list of movie access."

3. (SBU) Press reports have cited a wide range of figures to describe the scale of the camcording problem in Canada, and there is a lack of a consensus on just how much camcorded movies from Canada actually contributes to global sales of pirated films. [See REFTELS]

According to the most recent statistics released by the CMPDA, between 20 and 25% of the camcording incidents worldwide in 2006 occurred in a Canadian theater (a previous CMPDA statistic placed that figure at 50%). However, a few observers say that the industry is exaggerating the magnitude of the problem. Michael Geist, a law professor at the University of Ottawa, wrote a series of editorials questioning the industry figures about film piracy in Canada. He also argued that current Canadian law is sufficiently strong to counter the problem.

According to Cineplex, the CMPDA will respond to the fictitious claims and will defend the accuracy of the industry figures and highlight the need for stronger anti-camcording laws. The Cineplex interlocutors said that Geist has been a longstanding challenger on this issue.

14. (SBU) Cineplex representatives stated that Montreal remains a hub for camcording activity in Canada, although there have been recent incidents of camcording in western Canada as well. They cited the links between organized crime groups in Montreal and film piracy networks as one explanation for Montreal's continued dubious status as the film piracy capital of Canada, as well as the lure of being able to capture a popular film in French and English. New York's diminished attractiveness for potential "cammers" in the wake of high-profile arrests and the threat of stiff fines for film pirates might also have pushed camcorders to Montreal, according to Cineplex.

Cineplex pushes for tougher laws, takes action in its theaters

15. (SBU) Cineplex has supplied the GoC with suggested changes in the criminal code, which would make the act of camcording itself a criminal offense, rather than the status quo which requires proof of "commercial intent" on the part of the person filming. The lack of a strong anti-camcording provision in Canada's criminal code introduces a significant "gray area" into the legality of bringing a video recorder into a movie theater, an ambiguity that Cineplex wants removed. "Just a minor modification in law would be needed to

MONTREAL 00000058 002.2 OF 003

make a big impact," according to Jacob. But the Canadian government has so far, according to Cineplex, declined to accept the proposed language, stating that the Copyright Act as it is currently written is sufficient to combat film piracy.

16. (SBU) Cineplex Entertainment recently sent a letter to incoming Justice Minister Nicholson, asking for a tougher anti-camcording law and for IPR to be looked at as a higher-priority area by the Canadian government. Cineplex has not yet received a reply. On February 9, EconMinCouns raised the growing camcording issue with PM Harper's top domestic policy advisor Mark Cameron, who seemed sympathetic to the matter.

17. (SBU) In late January 2007, Cineplex succeeded in getting a court to issue a trespassing order to keep out of its theaters several individuals who were arrested in October 2006 for camcording. The trespass order, which according to Cineplex is the first of its kind to be issued by a movie exhibitor, applies to all Cineplex theaters throughout Canada.

To catch a "cammer": View from a Montreal Theater

18. (SBU) Cineplex has initiated a series of training programs in its theaters to teach its employees to spot camcorders. Econ MinCouns and Econoff toured a theater in downtown Montreal to see some of these programs in action. The theater itself has a number of posters and pamphlets, near the ticket booth, alerting moviegoers that camcording is a crime. "Piracy is illegal. If you see it, report it," reads one pamphlet, adding "If you do notice illegal activities during the film presentation please advise a member of our team and you could be eligible for a reward." In addition, a public service announcement about the illegality of camcording plays

on many screens before the movie begins.

¶9. (SBU) Cineplex employees are heartened by the fact that the pirated films that have been traced to theaters in Canada do not appear to have been filmed from inside the projection booth itself (which would imply the existence of an "inside job") but rather are of a poorer quality resulting from being captured from audience seating. Camcorders usually set up their operations on the upper left side of the theater, where they have an unobstructed view of the screen and where the image will not be marred by other movie goers moving to and from their seats during the film.

¶10. (SBU) Cineplex employees move through the theater, visiting each screen once, ten or fifteen minutes before the movie begins, (since movie pirates frequently set up their equipment well before the movie starts to get the best possible position for filming), and then once approximately every twenty minutes thereafter, with night-vision goggles, looking for suspicious behavior. Each employee also carries a picture of the individuals who have been arrested for camcording in Montreal and remain under investigation. During weekend shows, Cineplex employees in street clothes patrol theaters for signs of malfeasance. These new self-enforcement arrangements in theaters are, according to one Cineplex representative, "not something we would have thought of five years ago." Despite these efforts, one Cineplex representative expressed frustration with the continued problem of camcording: "When we found out that the film Night at the Museum was pirated", one representative noted, "we realized that we had missed something." Although night vision goggles give theater employees a better view of activities inside the theater, Cineplex admits that such tools do not offer a fool-proof method of catching camcorders, whose increasingly sophisticated techniques and miniature equipment help stymie detection efforts.

¶11. (SBU) Even when Cineplex employees have managed to catch individuals in the act of camcording a film, or setting up their equipment before the film begins, they have been hard-pressed to take immediate action. "Even if we catch [camcorders]," one Cineplex employee lamented, "we can't do anything. We call the police, and they show up an hour or an hour and a half later. By that time, the person is gone." Cineplex notes that neither its employees nor the police can confiscate the camcorders of individuals who are caught pirating films. And although Cineplex takes the issue of film piracy "very seriously," its employees recognize that it is "disturbing" for law-abiding movie-goers to have their bags searched when they come to a theater, and note that some guests have been taken aback at the sight of theater employees sporting night vision goggles appearing in their screening rooms at regular intervals.

MONTREAL 00000058 003.2 OF 003

¶12. (SBU) Cineplex staff point out that camcording appears limited to first-run U.S.-made films. They were aware of only one recent instance where a Canadian film, the popular Quebec-made Bon Cop, Bad Cop, may have been a victim of camcording.

Comment

¶13. (SBU) Despite efforts by Cineplex to alert movie customers about the illegality of camcording, Canadian law is not so clear. The lack of generally-accepted statistics about the frequency of camcording in Canadian theaters as well as the lack of hard figures on the harm film piracy causes to Canadian industry is hindering our ability to make a strong case for the need for stronger laws and enforcement in Canada. The Royal Canadian Mounted Police (RCMP) continues to claim being stretched too thin because of other priorities to deal with this matter effectively. But the increase in media attention to film piracy has at least raised public awareness on the subject, and as Canadian industry increases its pressure on the GoC to act, it may become more difficult for the GOC to defend the status quo as sufficient to deter and prosecute film pirates.

Marshall